
By: Chairman, Ways and Means Committee (Departmental - Comptroller)

Introduced and read first time: January 15, 1997

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Estate Tax and Inheritance Tax - Refunds**

3 FOR the purpose of authorizing the Comptroller to pay an overpayment of Maryland
4 estate tax directly to the register of wills to be applied against the inheritance tax
5 under certain circumstances; authorizing a register of wills, under certain
6 circumstances, to pay an overpayment of inheritance tax directly to the Comptroller
7 to be applied against the Maryland estate tax; and generally relating to certain
8 refunds of Maryland estate tax and inheritance tax.

9 BY repealing and reenacting, with amendments,

10 Article - Tax - General
11 Section 7-304(b)
12 Annotated Code of Maryland
13 (1988 Volume and 1996 Supplement)

14 BY adding to

15 Article - Tax - General
16 Section 13-906
17 Annotated Code of Maryland
18 (1988 Volume and 1996 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Tax - General**

22 7-304.

23 (b) (1) Except as otherwise provided in this subsection, the Maryland estate tax
24 is the amount, if any, by which the federal credit exceeds the total of death taxes other
25 than the Maryland estate tax that:

26 (i) are imposed by a state on property included in the Maryland
27 estate;

28 (ii) are allowable in computing the federal credit; and

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1 (iii) EXCEPT AS PROVIDED IN § 13-906 OF THIS ARTICLE, have
2 actually been paid out of the Maryland estate and received by the appropriate unit of this
3 State.

4 (2) The Maryland estate tax may not exceed the amount whose timely
5 payment in accordance with federal law would reduce the amount of the federal estate tax
6 payable out of the Maryland estate had this subtitle not been enacted.

7 13-906.

8 (A) IN THIS SECTION, "REGISTER" MEANS THE REGISTER OF WILLS OF A
9 COUNTY.

10 (B) (1) IF A PERSON IS REQUIRED TO PAY INHERITANCE TAX THE
11 PAYMENT OF WHICH WOULD REDUCE THE MARYLAND ESTATE TAX IMPOSED ON AN
12 ESTATE AND WOULD ENTITLE THE ESTATE TO A MARYLAND ESTATE TAX REFUND,
13 ON THE WRITTEN REQUEST OF THE PERSONAL REPRESENTATIVE OF THE ESTATE,
14 THE COMPTROLLER MAY PAY DIRECTLY TO THE REGISTER, TO BE APPLIED
15 AGAINST THE INHERITANCE TAX, ANY MARYLAND ESTATE TAX REFUND TO WHICH
16 THE ESTATE WOULD BE ENTITLED AS A RESULT OF THE PAYMENT OF THE
17 INHERITANCE TAX.

18 (2) IF A PERSON BECOMES ENTITLED TO AN INHERITANCE TAX REFUND
19 THE PAYMENT OF WHICH WOULD RESULT IN AN INCREASE IN THE MARYLAND
20 ESTATE TAX IMPOSED ON AN ESTATE, ON THE WRITTEN REQUEST OF THE PERSON
21 MAKING A CLAIM FOR THE INHERITANCE TAX REFUND OR IF A CLAIM FOR AN
22 INHERITANCE TAX REFUND HAS NOT BEEN MADE, THE REGISTER MAY PAY THE
23 INHERITANCE TAX REFUND DIRECTLY TO THE COMPTROLLER TO BE APPLIED
24 AGAINST ANY UNPAID MARYLAND ESTATE TAX OR ADDITIONAL MARYLAND
25 ESTATE TAX THAT WOULD BECOME DUE AS A RESULT OF THE INHERITANCE TAX
26 REFUND.

27 (C) IF A PAYMENT FROM THE COMPTROLLER TO THE REGISTER OR FROM
28 THE REGISTER TO THE COMPTROLLER UNDER SUBSECTION (B) OF THIS SECTION
29 DOES NOT DISCHARGE A PERSON'S TAX LIABILITY IN ITS ENTIRETY, THE PERSON
30 SHALL PAY ANY REMAINING UNPAID INHERITANCE TAX TO THE REGISTER OR ANY
31 REMAINING UNPAID MARYLAND ESTATE TAX TO THE COMPTROLLER.

32 (D) PAYMENT BY THE COMPTROLLER TO THE REGISTER OR BY THE
33 REGISTER TO THE COMPTROLLER UNDER SUBSECTION (B) OF THIS SECTION SHALL
34 SATISFY THE OBLIGATION OF THE REGISTER OR COMPTROLLER TO PAY A REFUND
35 TO THE EXTENT OF THE PAYMENT.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
37 July 1, 1997.